

GOVERNOR'S MESSAGE VETOING HB No. 1068

I am today filing in the office of the Secretary of State House Bill No. 1068 without my approval. This bill seeks to amend House Bill No. 8, passed by the Forty-Seventh Legislature, Regular Session, by substituting a new section for Section 10 of said bill.

This bill, House Bill No. 1068, which I have vetoed, apparently has for its purpose only one major change and that is to change the system of levying and collecting taxes on cosmetics and playing cards. As the bill was originally written, those who sell playing cards or those who sell cosmetics, were simply required to maintain a record of the gross receipts from said sales and quarterly to pay to the Comptroller of Public Accounts two per cent (2%) of the gross receipts from said sales.

This, it seems to me, is certainly the sensible way to collect the tax and it is a method which will produce the least inconvenience to those who are selling the merchandise. But, as the bill is amended, it provides that all merchants selling these articles must buy stamps from the comptroller and place these stamps on the articles to be sold. In other words, it converts a gross receipts tax into a retail sales tax.

Furthermore as the bill is written it exempts a portion of the sales up to ten cents. I see no reason whatever for amending this bill. As the law now stands, merchants who are selling this merchandise can, if they desire to do so, exempt the entire sale so far as the customer is concerned and pay the tax themselves or they can increase the price of merchandise so as to collect the tax. But the decision as to which method is to be followed, is left with the seller of the merchandise, and I think it should be.

What the State is interested in passing this bill is to get two per cent of the gross receipts from these sales and I do not think the State is concerned about how the merchant collects the two per cent. And certainly the easiest method from the viewpoint of the merchant and the best method from the viewpoint of the State is simply to let all those who sell this character of merchandise remit to the State two per cent of their gross receipts. This, in my judgment, is the best plan for the merchant and the best plan for the State.

For these reasons I am filing House Bill No. 1068 without my approval.

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused the Seal of State to be impressed hereon at Austin, this the 23rd day of July, A. D., 1941.

W. Lee O'Daniel
GOVERNOR OF TEXAS

Wm. J. Lawson
SECRETARY OF STATE